GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2305
ANSWERED ON:10.03.2006
TRADING BY TRIUMPH SECURITIES
Muqueem Shri Mohammed

Will the Minister of FINANCE be pleased to state:

(a) whether Triumph Securities is banned from Trading;

(b) if so, the reasons therefor;

(c) the names of companies whose shares and securities Triumph had dealt;

(d) the name of companies whose promoters were involved in market manipulation; and

(e) the action has been taken/proposed to be taken against these promoters7

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes, Sir.

(b) Securities and Exchange Board of India (SEBI) has informed that pursuant to excessive volatility in the stock markets during February-March 2001 and apprehensions of alleged market manipulation, SEBI had initiated investigations into the affairs relating to buying, selling or dealings of various scrips including those in which Triumph Securities and its group companies, known as Ketan Parekh group, were active. Investigation revealed that Ketan Parekh group entities including Triumph Securities indulged in manipulation in the stock markets. Therefore, the entities were banned from trading in securities markets.

(c) Triumph Securities along with its group entities dealt in various scrips viz. Aftek Infosys Ltd, Adani Exports Ltd, DSQ Software, Global Tele-Systems Ltd, Global Trust Bank, Himachal Futuristic Communications Ltd (HFCL), Lupin Lab Ltd, Shonkh Technologies Ltd, Padmini Technologies, Zee Tele-Films Ltd., etc.

(d)&(e): The names of companies and promoters who were involved in market manipulation are: DSQ Software Ltd., Aftek Infosys Ltd and Global Trust Bank. In case of these companies, investigations have been completed and final orders passed by SEBI.

In case of the following companies, investigations have revealed prima facie involvement of the companies / promoters for violation of SEBI Act, 1992 and regulations made thereunder including market manipulation: Himachal Futuristic Communications Ltd, Adani Exports Ltd., Zee Telefilms Ltd., Padmini Technologies Shonkh Technologies and promoters of Ranbaxy, Vidyut Investment Ltd.

The action taken against these companies and their promoters are, inter-alia, in the nature of:

(i) prohibiting the promoters, directors, person acting in concert, brokers and clients from buying,selling or dealing in securities for a certain time period;
(ii) filing of prosecution proceedings against certain companies, promoters and associate entities;
(iii) issue of show cause notice for violation of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 1995.
(iv) imposition of monetary penalties.